

# Memorandum

To: Contracts Office

Date : July 8, 2010

Telephone: CALNET (916 ) 654-6718

From : **California Energy Commission – Mark Hutchison, Executive Office**

1516 Ninth Street  
Sacramento CA 95814-5512

Subject :

A. Contractor: Perry-Smith, LLP

B. Contract Manager and date Contract Managers Training was obtained: Mark Hutchison training in 1990.

C. Term of Contract: May 1, 2010 through April 30, 2012.

D. Term of Amendment: May 1, 2010 through April 30, 2012. (No Change)

E. Amount funded by this contract or amendment and funding source:

\$3,750,000 Original

\$0 Amendment

\$2,600,000 from ARRA State Energy Plan funds, \$1,000,000 from ARRA Energy Conservation and Block Grant Funds, and \$150,000 from ARRA Energy Assurance funds.

F. Purpose of Contract and if requesting amendment, reason for amendment:

Purpose of the contract is to provide auditing and consulting services to the Energy Commission to review internal controls and provide recommendations to improve controls, conduct risk assessments and audits of ARRA funding recipients, and provide other management consulting and communication services.

Purpose of the amendment is to add conflict of interest terms and conditions to the original agreement.

G. Scope of Work - attach as Exhibit A - Scope of Work (includes deliverables and due dates):

H. Budget Detail - attach as Exhibit B - Budget Detail.

1. What payment method are we paying Contractor? Choose all that apply

a. ☒ Reimbursement in arrears based on:

☒ Itemized Monthly

☐ Itemized Quarterly

☐ Flat Rate

☐ One-time Payment

b. ☐ Advanced Payment

☐ Receiving Funds from other entity

☐ Other, explain \_\_\_\_\_

3. Do you anticipate retention to be released prior to the end of the Contract? If so, identify in Budget Detail what tasks are separate and distinct.

☐ Yes

☒ No

I. Selection Process Used:

☒ Solicitation using RFP, RFQ, IFB or PON

☐ Sole Source (attach sole source memo)

☐ Other government entity (i.e., state agency, federal or local government, air/water/school district)

☐ Other (explain) \_\_\_\_\_

- J. Survey of Prior Work: This contract supports ARRA funded projects. ARRA is a new federal appropriation that does not have any prior performed work that would be applicable to this effort. The contractor will review and audit ARRA funded projects which cannot rely on any prior work efforts.

- K. Civil Service Considerations: The level and breadth of experience needed to ensure transparency and accountability of ARRA funds is not readily available in civil service.

- L. Information Technology Expenditures: There are no information technology expenditures budgeted in this agreement.

- M. California Environmental Quality Act (CEQA) Compliance: This project is for accounting and financial services and is not a project as defined by the Energy Commission Contract Manual and therefore not subject to CEQA.

NOTE: The Energy Commission Contract Manual includes detailed instructions on how to complete this section, with examples of contracts that **are "Projects"** and **are not "Projects"**. When Contract Manager is completing this section, if questions arise as to the appropriate answers to the questions below, please consult with the Energy Commission attorney assigned to review contracts for your division.

- 1) Is contract considered a "Project" under CEQA?

☐ Yes ☒ No

If yes, skip to question 2.

If no, please complete the following (Public Resources Code (PRC) 21065 and 14 California Code of Regulations (CCR) 15378):

Explain why is contract not considered a "Project"? Contract will not cause a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because contract involves the financial review of ARRA funding recipients. Contractor will not be conducting any work that would cause a direct physical change in the environment.

- 2) If contract is considered a "Project" under CEQA:

- a) ☐ Contract **IS** exempt

Check the appropriate exemption box and fill in the section number of the exemption.

☐ Statutory Exemption. List PRC and/or CCR section number: \_\_\_\_\_

☐ Categorical Exemption. List CCR section number: \_\_\_\_\_

☐ Common Sense Exemption. 14 CCR 15061(b)(3)

Explain reason why contract is exempt under the above section: \_\_\_\_\_

Please attach draft Notice of Exemption (NOE). Consult with the Energy Commission attorney assigned to your division for instructions on how to complete the NOE.

- b) ☐ Contract **IS NOT** exempt. The Contract Manager needs to consult with the Energy Commission attorney assigned to your division and the Siting Office regarding a possible Initial Study.

N. Disabled Veteran Business Enterprise Program:

☒ Meets DVBE Requirements

☐ Requesting DVBE Exemption (attach Sole Source/DVBE exemption memo)

O. Is Contractor a certified Small Business?

☐ Yes ☒ No

P. Is Contractor subcontracting **any** services? If so, list them and identify if they are a certified Small Business?

☒ Yes ☐ No

\_\_\_\_RSM McGladrey\_\_\_\_\_

\_\_\_\_NewPoint Group – certified small business\_\_\_\_\_

Q. Miscellaneous Contract Information:

1) Will there be Work Authorizations? ☐ Yes ☒ No

2) Is the contractor providing confidential information? ☐ Yes ☒ No

3) Is the contractor going to purchase equipment? ☐ Yes ☒ No

4) Will progress reports be required? If so, check frequency:

☒ Monthly ☐ Quarterly ☐ other (please describe) \_\_\_\_\_

5) Will a final report be required? ☒ Yes ☐ No

6) Are resumes attached for all consultants ☒ Yes ☐ No

7) Is the contract, with amendments, longer than a year? If so, why? \_\_\_\_\_

The life of the contract is approximately 24 months. This term is needed to ensure that ARRA funds are spent as proposed and to prevent/minimize situations of misuse, abuse and fraud. Audits will be conducted over the life of the projects which can take as long as two years to complete.

8) What basis did you use to determine that the price, or rate, is reasonable?

The rates were deemed reasonable based on a comparison of 8 qualified proposals. The winning bidder's personnel rates, overhead, fringe, G&A and profit rates were competitive with the other proposals reviewed and in a number of instances were lower than other proposal rates.